CLAIMS

1. A data processing system for initiating and managing a loan, pension or other financial product where capital

5 is transferred from a lender to a borrower, which loan is to be repaid over a term, which system comprises:

(i)   means for logging personal data into a personal database, which data comprises one or more predetermined

10 relevant indicators of the borrower's future income profile;

(ii)   means for estimating the borrower's future income, which means comprises a database of reference

15 income profiles for a plurality of borrower categories, each profile individually identifiable by its characteristic reference indicator(s), and means for matching or approximating the relevant indicator(s) with each reference indicator or indicators thereby to arrive

20 at an income profile most suited to the customer for the period of the product;

(iii)   means for computing a predicted payment schedule over the period, which schedule comprises a

25 plurality of predicted payment events, the amount to be paid at each event being calculated as a percentage value of the customer's estimated instantaneous income at about

the time that the repayment is to be made; the system further comprising;

(iv) means for logging the customer's actual income during the term of the contract and demanding payment events from the customer, each payment comprising the predicted percentage value of the borrower's actual income rather than the predicted income, whereby the actual payment comprises a proportion of the borrower's actual income during the period of the contract.

2. A system as claimed in claim 1 wherein the percentage value predicted to be repaid is calculated to repay the compensation while the capital portion is repaid by a separate financial instrument.

3. A system as claimed in claim 1 wherein the percentage value predicted to be repaid is calculated to repay the capital portion during the term while the compensation is repaid by a separate financial instrument.

4. A system as claimed in claim 1 wherein the percentage value predicted to be repaid is calculated to repay both the capital and the compensation during the term.

5. A system as claimed in any preceding claim wherein the capital sum and/or compensation to be repaid is adjusted over the term according to any known economic prediction model or forecast which is made when actual payments have been received.

6. A system as claimed in any preceding claim wherein the percentage of the borrower's income forming a repayment at each payment event is a fixed percentage during the term of the loan.

7. A system as claimed in any of claims 1 to 5 wherein the percentage of the borrower's income forming a repayment event may vary according to a predefined event or set of circumstances.

8. A system as claimed in claim in claim 7 where the percentage is ramped upwards or downwards as a function of the term of the loan.

9. A system as claimed in any preceding claim wherein the reference database comprises data indicative of the probability of variation from the predicted income profile for each borrower category, the percentage value or total amount to be repaid being adjusted to increase where the probability of variance increases, thereby compensating for perceived risk.

10. A system as claimed in any preceding claim wherein the actual income consists of a gross taxable income or that income which is exempted from specific taxes.

5   11. A system as claimed in any preceding claim wherein the actual repayments may be a subject to a ceiling and/or floor to provide maximum and/or minimum repayments at the repayment events.

10   12. A system as claimed in any preceding claim wherein the actual repayments may be used to provide a savings plan or pension if a preset repayment ceiling is exceeded.

15   13. A system as claimed in any preceding claim wherein the actual repayments above the repayment ceiling may be stored to compensate the lender for any future payments which fail to be equal in value to a predetermined repayment floor.

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14. A system as claimed in any preceding claim and comprising a computer or computer network programmed to carry out the calculations required and store the data required.